



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

April 21, 1997

Phillip Palmer
Diamond K Gypsum, Incorporated
P.O. Box 35
Richfield, Utah 84701

Re: Documentation of Approval of Amendment to Large Mining Operations, Diamond K Gypsum, Inc., DKG Quarry, M/015/041 (UTU-69860), Emery County, Utah

Dear Mr. Palmer:

The purpose of this letter is to formally document the Division's acceptance and approval of the amendment to your Large Mining Operations Notice of Intention. The Bureau of Land Management forwarded the Division copies of your February 4 and February 6, 1997, submissions describing your amendment to the Plan Of Operations (a.k.a. Large Mining Operation Notice of Intention) for the DKG Quarry. We also received copies of the BLM letters to you dated February 7, and February 18, 1997.

Due to the urgent nature of your amendment request, Tony Gallegos of the Division discussed this amendment over the telephone with Neil Simmons of the BLM. The Division's position in this matter was that the amendment appeared to modify the sequence of mining only. Provided the total disturbed area did not exceed the amount covered by the current reclamation bond, the Division would require no additional information from DKG at that time. The February 18, 1997, BLM Notice of Decision granted approval of this amendment subject to the four conditions listed in the letter.

In summary, the key points of this amendment were: (1) Area A has been mined out and required approximately 8.5 acres of disturbance compared to 15 acres initially proposed. (2) Approximately 4.5 acres of the disturbance in Area A was regraded and reseeded in 1994. (3) DKG is currently bonded for approximately 12 acres of disturbance. (4) DKG wishes to expand operations by moving to Area B rather than Area C. (5) The disturbance in Area B will be approximately 3 acres.

For clarification, please note that recently reclaimed areas may require three (or more) growing seasons (i.e. three years) before the Division can grant full reclamation release. Until the reclaimed area is fully released (i.e. meets established revegetation standard), it remains part of the disturbed area and must be covered by a reclamation bond. The surface disturbance for your operations must not exceed the 12 acre amount covered by your current reclamation bond. If you wish to expand beyond 12 acres of disturbance you will need to first post an increased reclamation bond and receive approval

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of the new bond from the Division and BLM. Failure to post an approved bond prior to exceeding your current disturbance limit of 12 acres would be a violation of the Utah Mined Land Reclamation Act.

If you have any questions or comments in this regard please contact me or Tony Gallegos here at the Division. Thank you for your continued cooperation.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Penelope Dunn, BLM, Price River/San Rafael RA
M015041.amd